

# THE DOORKEEPER OF UTOPIA

E. B. Gaston and the Immigration of Fairhope

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December 7, 1982

We want our lands occupied. We want people here.

-E. B. Gaston  
(Fairhope Courier, October 1, 1897, p.3)

From its inception, the Fairhope Single Colony bore the handicap of a sparse population. Only a handful of single taxers, accompanied by their families, journeyed south from Iowa and elsewhere to Alabama to establish the colony in 1894. Immigration was essential not only to aid in the building of the young community, but also to prove that the single tax reform worked and that its benefits to Fairhope citizens were real. However, the number of immigrants the founding fathers had hoped to attract did not materialize in the early period of colonization. To combat the ill effects of under population and to incite interest in Fairhope, Ernest B. Gaston, editor of the Fairhope Courier, undertook to promote the community which he had been instrumental in founding. For Gaston, Fairhope not only represented the application of a theory, but also the realization of a dream.

Amid advertisements promising cures for rheumatism, receding hairlines, and diarrhea in early editions of the Courier, a listing of available properties in Baldwin County appears under the bold-faced heading: Gaston Real Estate Agency. Such real estate listings were not an uncommon feature of early twentieth century newspapers. What may be conceived as somewhat odd, however, is that the



realtor, E. B. Gaston, was also the secretary of and a driving force behind a planned community in which individual land owning was forbidden and land speculation was vigorously discouraged. In apparent contradiction to the community's stated tenets, throughout his real estate career, Gaston bought and sold deeded land on a commission basis. Moreover, as a realtor, he was in a position to profit from the increased amount of transactions and the higher sale prices which invariably accompany land speculation. Presented with this paradox, one might raise questions regarding ethics or conflict of interest. Yet, upon closer examination, the principles of Henry George remain largely untarnished for the interest far out weighed any conflict.

Henry George published his highly influential book Progress and Poverty in 1879. The United States, after enjoying a whirlwind of economic prosperity in the wake of the Industrial Revolution in the decade following the Civil War, found herself suffering from the effects of a depression by 1873. Business failures led to high unemployment and large scale corporate growth through consolidation. Urban violence erupted. For George, the depression of 1873 highlighted the fact that the new trust barons and the upper class were the primary beneficiaries of industrial modernization; "'The wealthy class is becoming more wealthy; but the poorer class is becoming more dependent.'"<sup>1</sup> In addition to this centralization of wealth through industrialization, George maintained that the growing scarcity of land in the once expansive U. S. was also detrimental to the country. Concentration of wealth, the squandering of the public domain, and the monopolizing of land would lead, he and other

reformers believed, to "rigid economic and social stratification and a consequent narrowing of opportunity for the masses."<sup>2</sup>

To counter these potentially damaging developments, George advocated the application of a "single tax". In essence, the single tax represented the most pragmatic method of achieving the effects of George's ultimate goal - common ownership of land - in a capitalist society. George argued that since economic rent is the product of the community's demand for land, it belongs to the entire community rather than merely to individual land owners. Therefore, the single tax theory calls for government to extract the full economic value of land from its owners. The immediate result of this action would be the dissolution of land monopoly and the extermination of land speculation. These ramifications would, in turn, insure that land would be used to its highest potential rather than serving as a speculative investment which would render unearned income to an individual owner. This tax on land values would be the only levy imposed by government; all other capital and income would remain untouched.

Just as Henry George conceived of the single tax theory during the depression of 1873, Ernest B. Gaston and a small group of Iowa Populists established the Fairhope Industrial Association during the depression of 1893-1897. Through the principles set forth in the association's constitution, it is evident that Fairhope was to be a working specimen of Georgian ideals. Technically, Fairhope could not implement a single tax; the illegality of taxing full economic rent values in Alabama and the colony's lack of authority



to levy taxes prohibited a literal application. On the other hand, the association would be able to practice the theory of common ownership of land, a central tenet of Henry George. The association would be established as the legal trustee for all colony landholdings, and there would be no private ownership of land by individual members. Instead, citizens of Fairhope would lease tracts for a period of 99 years, thus creating a sense of permanence and stability which deeded land owners enjoy. After paying an initial membership fee upon joining the association, a citizen would then only pay yearly rents which were to be based on the economic value of the leasehold. Any county, state, or federal tax on any colony property or on any of its members would be paid by association funds, thus simulating the single tax.

Gaston and other founders of Fairhope wished to demonstrate the benefits of co-operative individualism as well as the single tax. The plans for the community, Gaston wrote in an 1894 essay, "will insure to its members equality of opportunity, the full reward of individual efforts and the benefits of co-operation in matters of general concern."<sup>3</sup> More specifically, the founders sought to demonstrate that commonly owned land would be utilized to its fullest potential if full economic rents were charged. In addition, they "hoped to show that a given community can have more public facilities and service, with less burden on private initiative, enterprise and effort; if it diverts the income it creates to its own purpose and leaves with individuals the income they create."<sup>4</sup> In general, Gaston and the Iowa Populists desired the reform measures of Fairhope not only to be economic, but of a social nature as well. Co-operative

individualism offered "greater possibilities for individual...happiness because associated with congenial spirits and co-operating with them to secure the utmost of comfort and culture."<sup>5</sup> Therefore, although lacking the endorsement of a skeptical Henry George (who disapproved of a single tax colony on the premise that such a tiny endeavor was destined to fail and thus be damaging to the national single tax movement), Fairhope, the result of reform minded men, was fashioned to be the shining example of co-operative individualism and the single tax theory in action.

The small nucleus of Des Moines Populists arrived on the eastern shore of Mobile Bay in November of 1894 seeking to transform their dream of a single tax colony into a reality. From the outset, the euphoric writings of E. B. Gaston in the Courier describing the favorable conditions of the new colony site were geared to draw all interested people to join them in their labors to construct Fairhope;

Now that the location of our colony is definitely announced, land bought and work commenced. . . we look to those who are hoping for a home among us . . . to come to our aid. To those who feel that they would like to make their home under such delightful natural conditions. . . we say: if you are ready to come among us and have the means to do so. . . then come on and see for yourself.<sup>6</sup>

For the next several years, Gaston continued to fill the Courier with lead articles, letters, and brief asides proclaiming not only the many physical virtues of Fairhope, but also the intrinsic value of its citizens; "Fairhope is gaining an enviable reputation for energy, intelligence and agreeableness of her people. . . It is attracting and is going to attract a class of progressive, cultured and agreeable people; as like attracts likes."<sup>7</sup> Realizing the demands a new com-



munity makes on its citizens, the people he hoped to draw to Fairhope were to possess a desire and a knowledge to perform a wide range of tasks as well as capital to employ themselves.

The response to Gaston's initial invitations was disappointing for the association; the flow of colonists into Fairhope was light. As many of the colony leaseholds remained vacant, the small number of members were burdoned with increasing financial difficulties. The association, however, was determined not to go into debt. As one of several measures designed to help it meet expenses, the association decided in 1896 to allow local as well as other non-members to rent colony lots. This provision enabled people to observe the benefits of the single tax, thus encouraging them to become members. On the other hand, the decision serves as an indication of insufficient immigration by single taxers into the colony.

The issue of immigration was an important element of a promotional picnic sponsored by northern single taxers in 1897. The gathering, organized by the Chicago Single Tax Club as a fund raiser to foster the growth of Fairhope, was a disappointing failure. More importantly, a few members of the Chicago club were critical of the colony. They asserted that the colony might actually be a private speculative venture and were alarmed at the presence of Socialists in Fairhope. In addition, they suggested that leaseholds be awarded to the highest bidder rather than being distributed through an assessment method and that the colony be thoroughly reorganized. These were not the first complaints leveled against Fairhope, nor would they be the last. The most significant effect of the controversy,

in terms of this paper, was on the influx of settlers into Baldwin County; "I believe the present uncertainty," Chicago Club member L. G. Bostedo wrote to Gaston in 1897, "is keeping back a great many single taxers who would like to move to the colony."<sup>8</sup> Bostedo concluded by saying that immigration into Fairhope could be greatly increased if the criticism could be quelled.

Although Gaston continued writing promotional articles in the Courier, criticism could not be completely silenced. Confronted with unfavorable reviews and the colony's persisting scarce population, Gaston assumed more of a defensive stance in his writings. Whereas in 1895 the Courier would contain such blissful, positive asides as, "This is certainly a great place for children" (Courier, February 15, 1895, p.38); by 1899, their tone had changed. The following statement clearly alludes to critics' contentions of under population and unemployment: "There is not a vacant house in Fairhope, nor a man unwillingly idle."<sup>9</sup> By the turn of the century, even as Gaston maintained an optimistic position concerning the colony in the Courier, C. L. Coleman, president of the association, had a gloomier outlook;

. . . I think it a fair statement to make to say that unless more people come to make Fairhope their home. . . Fairhope is not only on the summit of a wave, but is also up to the extreme high-water mark of its tide; and that its course must henceforth be downward and towards dissolution and final extinction.<sup>10</sup>

At the advent of a new century, it became increasingly evident that if Fairhope were to survive, it must attract more citizens. To have an adequate number of immigrants, the negative remarks of critics had to be countered publicly and promotional activities increased.



To carry out these necessary measures, Gaston continued to utilize the Courier as his primary medium. In 1906, the Fairhope council voted to pay \$100 per year for the inclusion of a condensed statement of the colony plan in each issue of the Courier, but Gaston continued to publish "other important matters for which publicity is desirable, without charge."<sup>11</sup> The next year, the editor stated categorically that, "the Courier is published to build up Fairhope," and that he refused to "acknowledge any obligation to advertise the dark visions of others"<sup>12</sup> concerning the colony.

Articles in the Courier consistently fielded criticism from local observers, rival single taxers, and pamphleteers. To allegations of undemocratic administration by the corporation, the newspaper replied that all people living on colony land were encouraged to become members of the corporation. When departed citizens were used as evidence of the colony's impending failure, Gaston answered either by maintaining that they left proclaiming their affection for Fairhope or by insinuating that they were no more happy in the place for which they abandoned the colony. As a final example, critical comments concerning the poor condition of agriculture in Baldwin County were countered by citing specific cases, such as that of Mr. and Mrs. F. A. Smith, who left the colony after they failed at farming. At the Smiths' departure, Gaston wrote in the Courier, "We submit that nowhere. . . could success have been achieved with the exercise of so little judgement, and that justice would relieve Fairhope. . . from any responsibility for their failure."<sup>13</sup>

While countering criticism, Gaston proceeded with promotional

efforts to attract immigration. He worked diligently to improve the quality of the Courier so as to better represent the community and its theory. He compiled an index of all interested parties who had made inquiries into Fairhope, and submitted these to persons prominent in the national single tax movement. Gaston also wrote an article in a magazine called Independent, the editors of which would have been justified if they had billed Gaston for promotional consideration.

As Gaston painted a rosy picture "to place in Fairhope's show window for passers by,"<sup>14</sup> he and other sympathetic single taxers privately aired their concerns. The most recurrent topic of distress was the failure of many citizens to establish a living. It was a problem as old as the colony itself; one which Gaston managed to side step by citing specific cases such as with the Smith departure. Mr. and Mrs. Smith, however, were not alone. William Brown declared that he went to Fairhope with \$2,800 only to leave with \$300 five years later.<sup>15</sup> Similarly, J. E. Ruge offered to pay \$500 to a national single taxpayer if he would find a buyer for \$1,200 worth of Fairhope investments.<sup>16</sup> The millionaire, Joseph Fels, a prominent national single taxpayer, blamed the lack of agricultural success on the climate which, in his opinion, took "the spunk out of people."<sup>17</sup> Daniel Kiefer, an influential figure in the national movement, suggested that unless a man was a competent farmer, he should be prepared to "grub out a living."<sup>18</sup> Gaston, although apparently dismissing the poor quality of Baldwin County soil as a major cause of the problem, probably summed it up when he wrote to Kiefer, "We get a super-abundance. . . of people, without money, and too often without the



knowledge of how to work or the disposition to work."<sup>19</sup>

It is against this historical ~~back~~drop of promotion, public criticism, and private concern that the Gaston Real Estate Agency slowly emerges. As editor of the Courier and secretary of the colony, Gaston was the most obvious Fairhope personality for outsiders to write to for information concerning the community. Inevitably, anybody interested in settling on colony land would inquire into available leaseholds; "I happened to come in contact with the Fairhope Courier, and noticed that you was its editor, also secretary of the single tax colony," D. M. Kane wrote early in the twentieth century. "Of course you are a man of affairs and will know everything going in and about that section. I am interested in a 40 acre tract of land."<sup>20</sup> Correspondence of this type illustrates the unique position Gaston was in. He had access to both Fairhoppers wishing to sell their properties and outsiders hoping to secure a leasehold in the colony. In light of these facts, he occupied the prime position to facilitate the growth of Fairhope while aiding departing neighbors dispose of their colony properties. Therefore, it is not surprising that the Gaston Real Estate Agency evolved in the first decade of the century.

The maturation of the reality agency can be readily traced in the Courier. As early as 1899, Gaston was mediating Fairhope property transactions by running occasional advertisements under the heading "Special Announcement!"<sup>21</sup> In the early years of the twentieth century, descriptions of colony properties for sale in the classified column cited the Courier as where to address in-

quiries. These also appeared sporadically. In January of 1905, Gaston stepped into the real estate business on a more permanent basis; he offered to list properties for sale in Fairhope as long as the price asked was reviewed by a committee of three disinterested persons to insure land speculation did not take place. Five months later, he initiated a "Sales, Rental and Exchange Department"<sup>22</sup> for colony properties, at the same time dropping the requirement that quoted prices had to be cleared by a neutral committee. Gaston would thereafter rely on his own discretion. In the autumn of 1906, he began to advertise his agency, focusing on vacationers who would spend the winter in the south. "Albright & Gaston" was launched in the May of 1907 only to be dissolved a year later. "Gaston & Son" followed immediately on the heels of the previous firm's dissolution, and it, in turn, gradually changed into "Gaston Real Estate Agency," the title he used for nearly ten years.

Through his agency, Gaston involved himself in the various activities of the real estate business. He organized the trading of deeded land for colony leaseholds between interested parties. He found people to sublet the leaseholds of Fairhoppers who were absent from the colony but did not desire to sell their properties. Vacationers to Baldwin County occasionally relied on Gaston to locate cottages which were available for renting. Owners of neighboring land sent him letters announcing that their properties were for sale. Conversely, Gaston aggressively approached holders of deeded lands offering to find a buyer for their tracts. Sending notifications of available properties to outsiders who had expressed inter-



est in Fairhope was another one of his activities. His most frequent task, however, was selling improved leaseholds of departing colonist to the immigrants of Fairhope.

In letters seeking the services of Gaston, Fairhoppers desiring to sell their properties usually expressed their remorse at leaving and established an asking price. "The improvements are always saleable", Gaston wrote in his 1903 Independent article, "generally at a price a little below their actual cost."<sup>23</sup> Occasionally a leaseholder would be reluctant to sell if he felt the price offered did not adequately cover the expenses he had incurred improving the land. A man who took such a stance, C. H. Cassion, later changed his mind and agreed to sell. Gaston congratulated him for not holding land out of use, saying that his change of heart "breathes the real Single Tax spirit."<sup>24</sup> Upon selling Cassion's property, Gaston received his usual commission of 5%.

Gaston's involvement in the renting of cottages to vacationers, even though he openly advertised for such business in 1906, appears to have been rather limited later on in the century. In letters to customers in 1916 and again in 1919, he maintains that he is far too busy to attend properly to the renting of properties. Consequently, he often recommends that anybody who desired to rent a cottage to get in touch with Miss Gladys Lowell. On the other hand, in 1919, he also informed J. S. Paton that his commission on rentals is 10%,<sup>25</sup> and the next year he offers to rent out his own cottage. The ambiguity of his involvement is not resolved in "Gaston Bargains" lists in the Courier; they contain both properties for sale and properties

for rent. In general, preferring to limit himself to the selling of properties, Gaston would accommodate people requesting to rent cottages in Fairhope.

As alluded to above, although Gaston primarily dealt with colony lands, he also handled transactions of deeded lands. The 1907 advertisements for "Albright & Gaston" stated that the firm traffics "a few improved outlying properties"<sup>26</sup>; a decade earlier, Gaston had repeated emphatically in the Courier that, "We do not have land to sell, [and] are not interested in the sale of land."<sup>27</sup> Nevertheless, after the termination of his business relationship with Albright, Gaston continued to be involved in selling private land; "We don't recommend buying land," a "Gaston & Son" advertisement read, "but if you want to buy here's [a] chance."<sup>28</sup> Gaston's involvement in deeded land extended throughout his career; but unlike the selling Fairhope properties, private land sales cannot be classified as promotional activities. They did not increase the number of citizens in the colony. Similarly, although Gaston was secretary of Fairhope, his dealings in deeded land were geared almost exclusively toward the acquisition of property for individual clients rather than for the colony. Surviving "Gaston Real Estate" records indicate that he made only one offer on behalf of the corporation during his twenty years as a realtor. Therefore, he facilitated neither the population growth, nor the physical expansion of Fairhope by peddling private acres. These sales were, on the other hand, money making ventures.

"'Even Single Taxers pledged to fight the system,'" wrote Gaston in the mid 1920's, "'sometime prove unable to resist the



temptation to take advantage if the opportunity [for profits from speculation] is open."<sup>29</sup> The lure of such a temptation is the prospect of considerable capital gain for the land owner and, subsequently, a higher commission for the realtor. From Gaston's correspondence and statements in the Courier, it is apparent that he would have had plenty of use for any additional money; he was a poor man. To support his family, he engaged in many occupations simultaneously. He received a minimal salary for his position as secretary of the Fairhope Single Tax Corporation. In addition, Gaston was editor and owner of the Courier, a Notary Public, Justice of the Peace at one time, a realtor, and sold vegetables from his garden. Joseph Fels supplemented Gaston's income with sizable gifts; in a 1906 letter, Fels wrote to him, "Herewith find \$500 check for you...for such things as you wish to make you easier and happier."<sup>30</sup> Similarly, in 1908, Fels wrote "It just occurs to me that you may be in need of money...am enclosing my check for \$100."<sup>31</sup> In the same year, in spite of his various jobs and Fels' contributions, Gaston stated in a letter to Kiefer, "Money I have not."<sup>32</sup> Nor does his financial situation brighten in later years; in 1920, having settled T. K. Scotts' account by paying a \$1.65 bill for him, Gaston informed his client that, "as I am mighty hard up, I would be glad to have it refunded."<sup>33</sup> For E. B. Gaston, the incentive to make money was present throughout his life.

In an early issue of the Courier Gaston wrote, "If you are opposed to land speculation, quit it. In Fairhope no one else will seize the opportunity you forego;"<sup>34</sup> in light of this statement and

others like it made by the editor, the real estate partnership between Gaston and P. Y. Albright becomes rather curious. In the first month of 1907, Albright wrote a letter to the Courier entitled "Land Speculation in Fairhope" in which he suggests that the colony charge more annual rent to end speculation on Fairhope leaseholds and property improvements. Albright boldly stated in his letter, "I have no hesitation in saying that land speculation exists here in Fairhope on colony land. . . . The thing that makes real estate investment and speculation attractive in Fairhope is the fact that the land costs little or nothing and the rents are merely nominal."<sup>35</sup> Moreover, Albright alludes to not only land owners, but to realtors as well when he wrote, "The constant buying and selling of real estate is rather an indication of prosperity, as it usually means that someone has made money by the deal."<sup>36</sup> Gaston, in the same Courier issue, refutes Albright's position. In his rebuttal, the editor discussed his conception of speculation;

Technically speaking, the holding of land with the hope of realizing a profit is a "speculation," whether the holder realizes his hope or loses in the transaction, but "land speculation" as currently understood, is the actual reaping [of] unearned profits by the mere holding of land. If everybody lost rather than gained by holding land idle, the evils of land speculation would speedily disappear; and that is the condition of Fairhope.<sup>37</sup>

Four months after this exchange in the Courier, "Albright & Gaston" was formed.

The formation of a partnership with a man who had so recently and implicitly stated that speculation existed in Fairhope, a dubious move in itself, was destined to involve Gaston in speculative ac-



tivity. In the first several months of business, the firm lowered the asking price of a property that was not promptly sold; a deeded farm which was listed for \$600 in May was listing for \$550 in June. This reduction in price may not be an indication that the original asking figure was set too high and therefore speculative. On the contrary, it may have been that the owner was so anxious to sell that he was willing to assume a monetary loss on the transaction, or it may have been a standard ploy to attract potential buyers. Even though the reduction most probably was the result of non-speculative activity, it did serve as an ominous sign of a future development.

On July 12, 1907 the partnership of "Albright & Gaston" offered for sale a home on colony land. After a brief description of the property, their advertisement concluded;

At the price offered this place is going to be sold.. We recommend it unhesitatingly as a home or an investment. If you contemplate a home at Fairhope and have the money by you, you will make no mistake in taking this place. If it doesn't suit you, you can sell it within a short time and make money on it. [My italics]<sup>38</sup>

Gaston's earlier statements concerning Fairhope's effects on land transactions ring hollow in the face of this advertisement which smacks of speculation. The term investment implies "the holding of land with the hope of realizing a profit." Accordingly, the selling of a property after a brief ownership to make money can certainly be considered "reaping unearned profits by the mere holding of land."

The aforementioned "Albright & Gaston" advertisement represents the only concrete evidence of an involvement in speculation by Gaston. After the dissolution of the firm by "mutual consent"<sup>39</sup> in May of 1908, Gaston's real estate listings never again carried such specu-

lative connotations. Other than from information provided in advertisements, the only way to determine if speculation occurred in Gaston's dealings as a realtor is to compare the prices for which he offers a specific property over a certain time span in his correspondence with clients. This method, as touched on earlier, is very imprecise because it fails to provide for examination variables which might have had an effect on a certain transaction. As a result, the fact that a ten acre tract was offered for \$700 in 1919 and then sold for \$900 in 1920 is not necessarily an indication of land speculation in progress. Therefore, the only remaining approach to possibly engulf Gaston in controversy is to ascertain whether he received more than his standard commission on any occasion, thus collecting what some might consider unearned income as translated from the single tax theory.

Throughout the surviving correspondence of Gaston's real estate business, a handful of incidents stand out as potential examples of when his compensation surpassed his normal commission rate. Out of this handful, only one describes a completed transaction. The remainder represent Gaston as offering a property for more than the sum of what the owner asked plus the usual 5% commission. Since it is standard bargaining procedure for a realtor to initially ask for more than he actually desires, these incidents may be dismissed.

In Gaston's dealings with Rudolf Strosberg in 1922, the commission rate increased to 7%, if not higher. Strosberg asked Gaston to sell his abandoned Fairhope property because, "it ain't no use letting it lay."<sup>40</sup> He instructs Gaston to sell "the whole works for \$325...the \$25 dollars is commission."<sup>41</sup> Gaston, in turn, got an



extra \$25, selling the property for \$350, and proposed to split the additional money with Strosberg. If the \$25 was divided evenly (the correspondence does not provide the actual division), then Gaston would have supplemented the 7% he was already receiving, thus netting slightly greater than 10% of the sale value.

Although some skeptics might cite this transaction as an example of unearned income and thus contrary to the single tax theory, any condemnation of E. B. Gaston along these grounds would be unwarranted. In the first place, who is to say that a commission of 5% is earned whereas a commission of 7% is not? More significantly, to construe that the single tax stance on the selling of land may be applied to agents of land sales by means of an arbitrary distinction between earned and unearned commission is an unsubstantiated extenuation of Henry George's principles. George held that, "land is not the rightful property of any individual,"<sup>42</sup> and therefore any profit received from the sale of land belonged to the community, not a landowner. For a man to use the possession of land as an investment was contrary to the single tax doctrine. However, George also stated, "that which a man produces is rightfully his, and his alone."<sup>43</sup> Thus the sale of properties and improvements upon land is fully justified within his theory. As a realtor, Gaston dealt primarily in colory lands where improvements rather than lands were sold. When dealing with deeded land, if the price he quoted was speculative, then and only then could he be condemned for breaching the single tax doctrine. Certainly, Gaston's salary running his agency may be considered "that which a man produces" for he earned his commissions through his numerous re-

sponsibilities as a realtor. Consequently, any commission exceeding his normal rate cannot be considered unearned income. Yet even if it could be considered in violation of the single tax theory, the Strosberg case is the only surviving example of such a high commission from a career of nearly twenty years as a realtor.

Gaston cannot be so readily exonerated from his participation in the blatant speculative rhetoric of the 1907 "Albright & Gaston" advertisement. By printing his name beneath the real estate listing, he made himself an accomplice in a conspiracy to commit land speculation. Still, it is extremely doubtful that his involvement was anything but unintentional because a man of Gaston's character could not be motivated by the prospect of greater material wealth. J. H. Webb, the corporation's lawyer, called him a "fine fellow and absolutely sincere" who is "honestly and earnestly fighting for a principle."<sup>44</sup> Joseph Fels looked upon Gaston "as the most rare exponent of the single tax", and noted his "rare ability and unselfish character."<sup>45</sup> Significantly, Frank Anderson, author of the highly derogatory pamphlet "Fairhope: A study in Primitive Altruism" (1913), while he described Gaston as having a "keen instinct for domination" and labeled him a "managing misfit" and "a Caesar in Fairhope," he went on to state that "money does not move him."<sup>46</sup> Although Gaston had a continual financial incentive to supplement his income, it would appear that it had little influence on him. Nevertheless, he must still share responsibility with his partner for the 1907 advertisement.

If Gaston must receive partial blame for a defeat in the battle against speculation, he must receive acclaim for victories as well.



Late in 1921, Mrs. L. Jensen wrote Gaston asking him to sell her house on colony land. She informed him that she will take an offer of \$1,400.<sup>47</sup> Writing again in early 1922, Mrs. Jensen stated that her property to be worth between \$1,200 and \$1,400.<sup>48</sup> While waiting for an offer to be forwarded by Gaston, Mrs. Jensen had her unoccupied Fairhope house insured for \$600. The following month, she reluctantly accepted a "small price"<sup>49</sup> for her property and agreed to sell for \$700. Considering that Mrs. Jensen set the value of her property at \$600 and later settled for \$700 to sell it, her original insistence on a \$1,400 price tag must be considered as an attempt at speculation. Gaston, by securing and proposing an offer significantly lower than what she wanted stifled her speculative venture. On the eve of the Florida land boom's arrival at Fairhope, Gaston settled for a commission of \$35 rather than one of \$70. Similarly, replying to an inquiry from Albert Wheat concerning the value of a Fairhope tract, Gaston wrote, "Patterson would not [let] this go for less than \$1,000....I think the improvements are hardly worth the money."<sup>50</sup> In general, upon detecting speculative ventures through his duties as a realtor, he moved quickly to destroy them.

Monitoring land sales in and around Fairhope was apparently one of the reasons why Gaston entered the real estate business. Other considerations, such as receiving cash commissions and furnishing a convenient service, have been referred to earlier in this paper. Still, the central motive which seems to pervade his entire business is the desire to promote Fairhope as the working example of social and economic reform.

When corresponding with people who had expressed interest in buying land in Baldwin County, Gaston would invariably attempt to persuade them to purchase leaseholds in Fairhope instead. Likewise, realizing the colony was in competition with neighboring towns for vacationers, Gaston continually responded to the challenge; "The prospects for Fairhope are excellent. We had a fine summer business and are anticipating a good business this winter also. Battles was very dull this summer."<sup>51</sup> Gaston, when responding to inquiries, always ended his letters with invitations to visit the colony such as, "Better come over and look the situation over,"<sup>52</sup> and "Of course, I would not expect you or any one else to buy a place without seeing it and hope you will 'come and see'".<sup>53</sup> Most importantly, Gaston, by facilitating immigration through the work of his agency, consciously assisted the colony in demonstrating the benefits of the single tax theory:

If lots are improved and occupied, the new settlers and their improvements will help to swell population and business and thus act to advance the value of the Colony's lands and a comparison of the cost of owning an improved property, when interest on the investment in the ground and taxes on ground and improvements are taken into consideration is invariably in favor of the holders of [similar] improvements, on similarly located colony lands.<sup>54</sup>

As long as there were colony lots to be occupied, Gaston Real Estate Agency was performing a beneficial service for Fairhope.

It was no coincidence that the exhaustion of preferable colony leaseholds coincided with the Florida land boom and, consequently, the termination of Gaston's agency. As the effects of the land boom filtered into southern Alabama, it became more difficult to shelter



Fairhope against speculative investors. The Courier continually warned people not to pay "bonuses" for leaseholds and to make certain that the property improvements were worth the price. Many of these warnings were in vain because, according to a historian of Fairhope, "it was becoming quite common to trade, deal or dabble in Fairhope leaseholds as speculative investments."<sup>55</sup> The corporation, as Gaston wrote in a 1925 issue of the Courier, was at a crossroads; "I wish to call your attention to the fact that we are. . .facing a crucial moment in our effort to apply the Single Tax principle. . .due largely to two factors; the speculative wave amounting almost to insanity which is sweeping Florida and working its way along the Gulf Coast and the approximate exhaustion of our desirable holdings."<sup>56</sup>

In a growing debate in Fairhope, solutions to the problem were bandied about. One plan, which was dismissed as too drastic, called for a 10% increase on rents coupled with a tough crackdown on the land application procedure. The higher rents would have forced citizens who were unable to pay such an increase to leave the colony. A new lease application was approved in November of 1925. This document granted the corporation power to revoke a lease after its transfer if large discrepancies were detected between the value of the property and the price for which it was sold. The November application was displaced by a third and final version a month later. Reminiscent of Gaston's original Sales, Rental and Exchange Department of 1905, the lease application approved in December of 1925 gave the lease holder the right to ask for an appraisement of his properties, if the council denied to authorize the sale at the asked

price, to be undertaken by a committee of three disinterested people. The council would only approve a sale if the consideration was regarded as not being too high. Therefore, the council became a paternalistic entity in a community which had been built upon the foundation of co-operative individualism. This lease application is still in affect today.

During the controversy which surrounded the arrival of the Florida land boom to the Mobile Bay area, Gaston Real Estate Agency slowly disappeared from the pages of the Courier. Large advertisements for the firm ended in May of 1924. Property listings became briefer and appeared in the classified column. Although Gaston lived to 1937, by the beginning of 1926, the agency ceased to exist.

Gaston never publicly announced the termination of his firm, nor gave any reasons for the move. The causes, nevertheless, may have been the same as those he had cited when describing the "crucial moment" facing Fairhope: the depletion of preferred colony lots and the Florida land boom. If the vast majority of desirable lands were improved and occupied, then Fairhope no longer needed the services that Gaston's agency provided as a facilitator of immigration. Moreover, even though the corporation had passed a new lease application, the land boom continued to plague Fairhope. For even with preventive measures, speculation continued to appear; the February 18, 1926, issue of the Courier reported, "the transfer of five properties in Fairhope, to parties who promised to develop them and make them valuable in small lots to builders, which has not been the case hitherto. Their purpose is, of course, profit for themselves."<sup>57</sup>



Fairhope, having attempted to compensate for the affects of the boom, still had to weather the storm. Gaston, as secretary of the corporation, piloted the single tax community during the squall. To compromise his position by maintaining an involvement in real estate would have been poor politics to say the least. Likewise, as illustrated in the above quotation, he could no longer be certain of what a buyer of Fairhope leaseholds might do with them once he established possession. As a result, in February of 1926, the Gaston Real Estate Agency faded quietly into history.

When it became apparent early on that Fairhope needed to increase its population in order to demonstrate the benefits of the single tax theory, Ernest B. Gaston responded and assumed responsibility for promoting and facilitating the immigration of Fairhope. Ultimately, his promotional activities led him into the real estate business, where he received monetary compensation for the services he provided. Nevertheless, Gaston carefully upheld the principles of the single tax, only deviating from George's doctrine on one occasion during a twenty year career. Profits from his agency assumed two forms: commissions and population growth. To a man who had envisioned a community based on co-operative individualism, drawn up its constitution with other Populists, established the colony with a handful of single taxers, served nearly continuously as the corporation's secretary, and owned as well as edited the Courier, the growth of Fairhope was vastly more significant than the limited income from sales as a realtor. Certainly, Gaston's interest in the advancement of the colony far outweighed any other consideration in

his real estate business, for what better reward could there have been for the "most rare exponent of the single tax" than the progress of Fairhope? However, it may be erroneous to imply that Gaston was motivated by purely selfless impulses, for, on the other hand, what higher gratification could there be for a parent than to proudly witness the growth of his child?



### Footnotes

1. Eric Goldman, Rendezvous With Destiny, (New York: Alfred A. Knoff, 1952), p.33.
2. Ibid, p.33.
3. Ernest B. Gaston, "Co-operative Individualism," Liberty Bell, April 28, 1884.
4. Paul and Blanche Alyea, Fairhope, 1894-1954, (Alabama: University of Alabama Press, 1956), p.7.
5. Gaston, "Co-operative Individualism."
6. Fairhope Courier, January 1, 1895, p.1.
7. Fairhope Courier, August 15, 1898, p.1.
8. L.G. Bostedo to E.B. Gaston, September 7, 1897,  
(Unless otherwise mentioned, all personal  
correspondence is from the Fairhope Colony Archives).
9. Fairhope Courier, March 15, 1899, p.2.
10. Fairhope Courier, January 15, 1899, p.1.
11. Fairhope Courier, March 26, 1906, p.3.
12. Fairhope Courier, February 22, 1907, p.2.
13. Fairhope Courier, August 1, 1898, p.6.
14. Kiefer to E.B. Gaston, July 14, 1909.
15. William Brown to Thomas Johnson, June 3, 1909.
16. E. Ruge to D. Kiefer, May 9, 1909.
17. Joseph Fels to E.B. Gaston, August 22, 1908.
18. Kiefer to E.B. Gaston, July 19, 1909.
19. Gaston to Kiefer, July 25, 1909.
20. D.M. Kane to E.B. Gaston, January 13, 1918.
21. Fairhope Courier, September 15, 1899, p.4.
22. Fairhope Courier, May 19, 1905, p.7.

23. Ernest B. Gaston, "The Home of the Single Tax and the Referendum," Independent, July 16, 1903, p.1675.
24. E.B. Gaston to C.H. Cassion, February 4, 1921.
25. E.B. Gaston to J.S. Paton, February 15, 1919.
26. Fairhope Courier, May 3, 1907, p.7.
27. Fairhope Courier, January 1, 1897, p.5.
28. Fairhope Courier, September 4, 1908,p.5.
29. Alvea, p. 190.
30. Joseph Fels to E.B. Gaston, July 15, 1906.
31. Joseph Fels to E.B. Gaston, August 3, 1908.
32. E.B. Gaston to D. Kiefer, May 8, 1908.
33. E.B. Gaston to T.K. Scott, December 8, 1920.
34. Fairhope Courier, June 1, 1898, p. 4.
35. Fairhope Courier, January 11, 1907, p.3.
36. Fairhope Courier, January 11, 1907, p.3.
37. Fairhope Courier, January 11, 1907, p.3.
38. Fairhope Courier, July 12, 1907, p.2.
39. Fairhope Courier, May 22, 1908, p.4.
40. Rudulf Strosberg to E.B. Gaston, April 20, 1922.
41. Rudulf Strosberg to E.B. Gaston, April 20, 1922.
42. Henry George & David Dudley Field, "Pros and Cons of the Single Tax," in Nationalizing of American Life, 1877-1900 by Ray Ginger, (New York: The Free Press, 1965), p. 58.
43. Ibid; p.58.
44. J.H.Webb to J.Fels, January 25, 1909.
45. J.Fels to L.D. Leyh, September 10, 1908.



46. Frank Anderson, "Fairhope: A Study In Primitive Altruism," 1913, p.14.
47. L.Jensen to E.B. Gaston, December 26, 1921.
48. L.Jensen to E.B. Gaston, January, 1922.
49. L.Jensen to E.B. Gaston, April 12, 1922.
50. E.B. Gaston to Albert Wheat, May 25, 1921.
51. E.B. Gaston to I.L. Taylor, September 26, 1917.
52. E.B. Gaston to O.L. Dunning, August 29, 1920.
53. E.B. Gaston to Gustve Edlund, June 16, 1919.
54. Fairhope Courier, September 13, 1907.
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57. Fairhope Courier, February 18, 1926, p.Lt.

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